

- Inflation rate jumps to 1.9% in July
- Retail sales edge down in June
- BC farm cash receipts up 9.5% in the first half of 2005

Prices

- British Columbia's inflation rate jumped to 1.9% in July, following two months of lower increases (+1.5%) in the all-items Consumer Price Index (CPI). Excluding energy, prices for most goods and services continued to rise at a relatively moderate 1.5% in July. Although the year-over-year increase in the cost of energy was substantially higher (+5.7%) than in June (+1.3%), the pace has slowed down since the beginning of the year when energy costs were rising at an average rate of eight percent or more.

Energy prices helped drive transportation costs up 2.8%, as vehicle owners paid 10.0% more to fill up their tanks. The cost of vehicle insurance was 7.5% higher than in July 2004.

Homeowners paid 2.7% more for shelter, partly due to higher maintenance & repair costs (+5.0%) and homeowner insurance premiums (+4.7%). Property taxes (+3.7%) also continued to be an inflationary factor. Although fuel oil and gas took a bigger bite out of the household budget, the cost of electricity declined, and as a result the average increase in utility prices for homeowners was relatively modest (+1.5%).

British Columbia students paid more for education services (+9.9%) and tuition fees (+13.0%). The cost of health & personal care (+2.3%) was also significantly higher than in July 2004.

In general, consumers paid more for non-durable goods (+2.3%) and services (+2.7%), while prices for durable goods (-2.4%) dropped in July, partly because dealers gave consumers a break on prices for vehicles (-3.7%) and household appliances (-2.3%).

Data Source: Statistics Canada

- At the national level, prices rose 2.0% in July, right on the Bank of Canada's inflation-control target. The Canadian inflation rate reflected sharply higher prices for gasoline (+12.3%) and restaurant meals (+3.0%). Inflation rates averaged about two percent in every province except PEI (+3.0%). Saskatchewan (+1.8%) saw the smallest increase in the CPI.

Among metropolitan areas, Vancouver (+1.9%) and Victoria (+2.1%) experienced average inflation rates in July.

Data Source: Statistics Canada

The Economy

- Sales by retailers in the province continued to edge down in June (-0.1%, *seasonally adjusted*), following a similarly weak performance in the previous month (-0.1%). Nationally, retail sales bounced back (+1.1%), after dropping (-1.2%) in May. Retailers in Ontario (+1.6%), Quebec (+2.0%), New Brunswick (+3.0%), and PEI (+3.9%) made solid gains but store owners in western Canada did not fare as well. Saskatchewan (-1.2%), Alberta (-0.3%), and BC (-0.1%) were the only provinces where sales declined.

Data Source: Statistics Canada

- During the second quarter, sales by retailers in the province rose 5.1% (relative to the same period of 2004). Financial incentives offered by some car makers helped boost sales at new car dealers (+7.2%), but also contributed to slower sales by retailers of used & recreational motor vehicles (-12.9%). BC's hot housing market continued to give a boost to retailers in the province, and sales at electronics & appliance (+15.1%), home centres & hardware (+13.6%), home furnishing (+10.6%) and furniture (+10.2%) stores were robust. Gas station receipts were up a substantial 11.7% over second

Did you know...

Two-thirds of the millionaires in Canada live in either BC (17%) or Ontario (49%) (Source: Ipsos Reid)

quarter 2004 levels, but virtually all of the increase was price-related. Data Source: Statistics Canada

- **The number of British Columbians receiving regular employment insurance (EI) benefits dropped 1.6% (seasonally adjusted) in June, to 49,880.** Nationally, there was a 1.7% increase in the number of EI beneficiaries. Quebec saw the largest increase with the number of beneficiaries climbing 4.0%, followed by Nova Scotia (+2.3%) and PEI (+1.9%). All provinces west of Ontario (+1.6%) recorded modest declines. Alberta (-0.4%) posted a decrease for a tenth consecutive month. Data Source: Statistics Canada

Agriculture

- **Cash receipts from farming operations in the province rose 4.3% (seasonally adjusted) in the second quarter.** The improvement in cash receipts was largely due to revenues from sales of livestock, which advanced 6.4% even though cattle sales were slower than in the first quarter, and dairy product receipts were flat. Crop receipts were up 1.8%. Data Source: Statistics Canada & BC Stats

- **Farm cash receipts in BC were 9.5% higher (unadjusted) during the first six months of this year than in the same period last year.** Earnings of BC farmers increased more than in any other region. Nationally, receipts were up 4.0%, rising in all but three provinces: Alberta (-0.3%), Nova Scotia (-0.9%) and Manitoba (-2.7%). However, the increase at the national level was largely due to receipts from stabilization and other programs (+27.3%). Market receipts—earnings from sales of livestock and crop products—were flat (-0.1%) in the first six months of the year.

Canadian crop producers, especially grain growers, saw revenues drop off sharply, declining twenty percent or more in many cases. Producers of other types of crops fared better, and overall crop receipts were down just 8.7%. In contrast, livestock operators, particularly cattle and calf producers (+17.6%) are finally starting to make a comeback, following the easing of restrictions on the US market for Canadian cattle. Total Canadian livestock receipts increased 7.5% during the first six months of this

year, compared to the same period of 2004.

Data Source: Statistics Canada

Magazines and Periodicals

- **The periodical publishing industry in Canada received \$1.6 billion in total revenues in 2003, up 22.5% from 1998, and 56.5% from 1993.** Advertising was the major source of income for magazine industries, contributing 64% of the total revenue in 2003.

Despite heavy pressure from the development of Internet media, the number of magazines circulating in Canada reached 2,383 in 2003, jumping 79.0% over the 1993 level. Most (1,447) magazines were in English, while 452 were in French. Although magazines in other languages comprised only 20% (484) of the total number, they were more widely circulated. On average, 48,520 copies were printed for each issue of non-official language magazines, while only half as many were printed if the magazine was in English (28,686) or French (24,593).

Data Source: SC, Catalogue no. 87-004-XPB

The Nation

- **Canada's composite leading indicator advanced 0.3% (seasonally adjusted) in July, with seven out of ten indicators posting gains.** The S&P/TSX stock price index increased 1.6%, and the housing index, a composite of housing starts and sales, was up 1.5% for the third consecutive month. All three indicators in the manufacturing category decreased modestly, with the biggest decline seen in new orders for durable goods (-0.4%). Data Source: Statistics Canada

- **Corporation profits continued to climb in the second quarter, rising 2.9% (seasonally adjusted).** Although financial service industries did not fare well (-1.0%), profits in other industries jumped 4.2%. Crude oil prices played a big role in the increase, with oil & gas extraction and refining profits soaring to record highs—accounting for three-quarters of the profit gain. During the last year and a half, profits in the oil & gas sector have risen 76.1%. Metal mining profits retained their lustre, rising 15.0%, but manufacturing profits were down 1.7%.

Data Source: Statistics Canada

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Immigrants to British Columbia under the Provincial Nominee Program—Strategic Occupations

Since 2001, British Columbia has operated the Provincial Nominee Program (PNP) in partnership with the federal government. B.C.'s PNP is made up of two streams: the Strategic Occupations stream (which includes skilled worker, medical professional and international student categories) and the Business Categories stream.

The Strategic Occupations stream is employer driven and meant for expediting the process of bringing in international students and highly skilled workers to fill critical labour shortages in the province. An employer applies to the PNP on behalf of an eligible foreign national whom the employer seeks to recruit for or retain in a position which they have been unable to fill with a Canadian citizen or permanent resident. The employers must make a full-time job offer that meets all the local employment standards. The application is evaluated and, once approved or "nominated", the foreign national must apply to the federal government for a permanent resident visa and meet admissibility requirements.

Currently, all provinces except Ontario and Quebec have provincial nominee programs. Québec operates its own immigrant selection program under a separate arrangement with the federal government. Although Ontario and Quebec are non-participating provinces, the following table shows that they both received some PNP immigrants in 2004. This was due to the fact that some immigrants chose to settle in a province different from the one that nominated them.

PNP Landed Immigrants by Province of Destination
(Principal Applicants & Dependents)

	2004	2003	2002	2001	2000
Newfoundland	171	37	38	35	0
Prince Edward Island	141	44	10	0	0
Nova Scotia	64	0	0	11	0
New Brunswick	161	146	105	71	22
Quebec	36	16	2	5	1
Ontario	280	267	138	96	65
Manitoba	4048	3116	1530	973	1095
Saskatchewan	323	173	73	41	37
Alberta	426	178	24	19	19
British Columbia	598	441	206	24	13

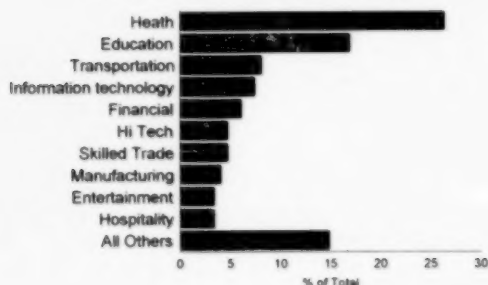
Manitoba has been the most active participant, nominating the highest number of skilled immigrants since the inception of the PNP program in 1995. British Columbia ranks a distant second among participating provinces. In 2004, the 596 B.C. immigrants admitted under the PNP represented about 1.6 per cent of total landings in B.C., whereas the 4,048 Manitoba PNP immigrants represented 54.5 per cent of its overall landings of 7,414 immigrants.

Of the 598 B.C. immigrants admitted under the PNP in 2004, 249 were the principal applicants including 28 registered nurses, 7 university professors and many in the management field of various capacities. Most of these immigrants were in the age group between 25 and 45. More than 65 per cent of these PNP immigrants possessed at least a bachelor's degree at the time when they became permanent residents in the Canada.


According to statistics provided by the B.C. department in charge of the PNP, there were a total of 460 applications received for the program during 2004. Of these, 35 cases were rejected and 13 cases were withdrawn, resulting in a successful nomination rate of 77.6 per cent (357 cases nominated). A majority of these applicants were citizens of United Kingdom, the United States, Japan, Australia or South Korea. Other top source countries for new applications in the Strategic Occupations stream in 2004 included China, the Philippines, India, Germany and New Zealand.

B.C. PNP Immigrants by Sector

Landed 2004 (Principal Applicants Only)



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<i>BC at a glance . . .</i>		
POPULATION (thousands)		% change on one year ago
	Apr 1/05	
BC	4,232.5	1.2
Canada	32,146.5	0.9
GDP and INCOME		% change on one year ago
(BC - at market prices)	2004	
Gross Domestic Product (GDP) (\$ millions)	156,481	7.5
GDP (\$ 1997 millions)	138,783	3.9
GDP (\$ 1997 per Capita)	33,072	2.8
Personal Disposable Income (\$ 1997 per Capita)	20,002	1.2
TRADE (\$ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jun	3,551	-0.8
Merchandise Exports - Jun	2,858	7.7
Retail Sales - Jun	4,122	-0.1
CONSUMER PRICE INDEX		12-month avg % change
(all items - 1992=100)	Jul '05	
BC	125.7	2.0
Canada	127.5	2.1
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Jul '05	
Labour Force - BC	2,266	0.4
Employed - BC	2,125	0.0
Unemployed - BC	140	7.6
	Jun '05	
Unemployment Rate - BC (percent)	6.2	5.8
Unemployment Rate - Canada (percent)	6.8	6.7
INTEREST RATES (percent)		Aug 25/04
	Aug 24/05	
Prime Business Rate	4.25	3.75
Conventional Mortgages - 1 year	5.00	4.40
- 5 year	5.80	6.30
US/CANADA EXCHANGE RATE		Aug 25/04
	Aug 24/05	
(avg. noon spot rate) Cdn \$	1.1913	1.3041
US \$ (reciprocal of the closing rate)	0.8394	0.7660
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Jul '05	
BC	698.02	2.5
Canada	701.94	3.8
SOURCES:		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada		
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see www.bankofcanada.ca		

Labour market characteristics of off-reserve Aboriginal population



It is now possible to examine the labour market characteristics of off-reserve Aboriginals. The data, from an expanded sample of Aboriginal peoples in the labour force survey, highlight some defining characteristics that contribute to their experience. In the past, this type of data has been available from the census but was limited to a snapshot taken in mid-May at five year intervals. A full year of sampled monthly data, fully integrated to the labour force survey, will be of great interest to researchers, policy makers and other users.

On-line at
www.bcstats.gov.bc.ca/data/lfs/abor/ap_index.htm

Released this week by BC STATS

- Current Statistics, August 2005
- Consumer Price Index, July 2005

Next week

- Business Indicators, August 2005

